



Department of Business Regulation

233 Richmond Street
Providence, RI 02903

Insurance Bulletin Number 2001-1

Small Employer Health Insurance Availability

Basic Plan Effective Date

The Small Employer Health Insurance Availability Act, as amended by Public Laws 00-200 and 00-229, provides that the Director of Business Regulation shall establish the requirements by which the Basic Plan shall be made available. Amended Regulation 82, which became effective on August 2, 2001, states the benefit requirements of the Basic Plan, but it does not establish an implementation date. This Bulletin is intended to inform licensees that the implementation date of this requirement is January 1, 2002. The Director will formalize this directive in an amendment to Regulation 82.

In order to allow adequate for review and approval by the Department, as provided in R.I. Gen. Laws § 27-50-7(c)(1), the Department urges carriers to file Basic Plans before October 15, 2001. If the Basic Plan to be offered is based upon a previously approved filing, the Department requests that the carrier file a redlined version identifying the changes from the previous filing. A carrier which does not have a Basic Plan approved on or before January 1, 2002 will be prohibited from writing in the Rhode Island Small Employer market until a Basic Plan has been filed and approved.

Requirement to Notify Director of Small Employer Carrier Status

Regulation 82, Sections 11 (A) and (B), require carriers to notify the Director of Business Regulation that they do or do not intend to operate as small employer carriers under the amended Regulation. All carriers are required to make this notification, and carriers are not permitted to operate as small employer carriers unless they have notified the Director of their intent to do so. This is a requirement for notification. Unlike the prior requirements for qualification as a reinsuring or risk assuming carrier, there is no application form nor requirement for approval. A letter stating the carrier's intention to operate (or continue to operate) in Rhode Island as a small employer carrier is sufficient. Carriers that withdrew from the small group market under R.I. Gen. Laws § 27-50-1 *et seq.* before the Reform 2000 amendment or under the amended statute prior to amendment of Regulation 82 are still subject to the provisions regarding a five-year absence and approval by the Director if they want to return to the small group market.

Marilyn Shannon McConaghy, Director
September 19, 2001